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ABSTRACT

The application of management by objectives (MBO) at Roosevelt University is described. Semantic problems were overcome and "administration by objectives" was implemented as a process by which institutional goals and objectives and those of each administrator are made explicit and agreed upon, the detailed steps and the sources needed to carry out these objectives identified, and the progress towards their implementation monitored. Refinements in objectives were made at Roosevelt, and a greater continuity or level of integration between one year's annual report and the next were sought. An appropriate structure and sequence of meetings, interactions, and relationships were also developed to make the MBO system effective. The importance of cooperative participation by faculty and administrators was stressed. The implementation process of MBO is still underway: preparing forms to facilitate the writing of objectives, establishing dates for the setting and subsequent review of objectives, and learning how to establish measurable objectives of appropriate difficulty. Not all questions have been resolved, but benefits are visible in terms of attainment of new levels of achievement, facilitation of communication, and providing greater administrative structure and control for the university. (LBH)

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IMPLEMENTING "MANAGEMENT BY OBJECTIVES" IN A UNIVERSITY: A PROGRESS REPORT

For delivery at the Working Conference of ACE-AAIP Alumni
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U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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Although I had read about "management by objectives" (MBO) as applied to business organizations in the writings of Peter Drucker several years ago, I assumed that it was just another one of those concepts like "profit and loss," "collective bargaining," and "cost-benefit analysis" that distinguished the mechanistically efficient world of business from the humanistic and inefficient world of higher education. (I might observe paranthetically that many of us now confronting the spectre of budget deficits, faculty unions, and demands for "accountability," are reconsidering the stereotype distinctions between the worlds of business and academe. We find ourselves attending conferences to learn how to negotiate, how to implement PPBS, and how to bring about organization development: in short, how to manage better our educational enterprise. Moreover, in a system which forces us to relinquish a promising young scholar because there is no tenure-slot available and our rules require life-tenure or nothing, we wonder about how humanistic we really are.)

It was several years after having read Peter Drucker that I encountered the concept of MBO in an educational setting. In 1972, during my ACE internship, several of us in the Midwest with home-campus internships spent a week

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visiting colleges in the area. One of the institutions we visited was William Rainey Harper College in Palatine, Illinois--a Chicago suburb. The president of that institution, Dr. Robert Lahti, was one of the first to implement MBO in a collegiate setting. After spending a day with Lahti, talking with members of his senior administrative staff, and reading some of their reports, I began to think that MBO might be worth exploring, both in general as a concept for improved university administration and, in particular, as a technique which might usefully be implemented at my institution.

The first part was easy. I compiled a bibliography on management by objectives and read it. Then, in typical academic fashion (because I knew so much about MBO--without yet having attempted to implement it), I wrote a paper about it--on the strength of which I was asked to speak to others and tell them about it.

One of my reasons for writing was to acquaint my colleagues with the concept of MBO: its terms, its logic, and its utility. This endeavor was sufficiently successful to bring about a discussion of MBO among our institution's senior administrators in the Administrative Council.

As all of us know, of course, it is much more difficult to implement an administrative tool or technique than it is to write about it. In a real situation there are people involved, people with all of the complexities of interaction, multiplicities of motive, and idiosyncracies of psyche that make our jobs so interesting and our endeavors so unpredictable.

The first anxiety which surfaced related to the term "management." Most of us consider ourselves administrators, not managers. "Management"

has "bad vibes." It has implications of manipulation and control. We think that our faculty colleagues suspect us of wanting to be managers and are willing to do their best to thwart this ambition. That problem was easy enough to solve. We decided that at our institution we would have "administration by objectives."

A similar semantic problem arose in defining MBO or ABO. Lahti's definition of MBO is "a continual process...whereby superior and subordinate identify...common goals, define each individual's major areas of responsibility in terms of results expected of him, and use the agreed upon measures as guides for operating each department and for assessing the contribution of each." While technically accurate, and useful for many purposes, Lahti's definition was no good for us. It starts out all wrong. Most of us in higher education, at least at my institution, are uncomfortable with the concepts of "superior and subordinate": there're too militaristic, too bureaucratic. It's true that some people report to the president, and others report to the vice presidents or the deans, but basically we like to consider ourselves colleagues with separate but related responsibilities participating in a common enterprise. Another problem with the typical definition and description of MBO is that it is made to seem more complicated than it really is. One recent article had seven complex diagrams with arrows and curves and feedback loops and an assortment of space age terminology to illustrate this fundamentally simple and straightforward concept. I knew that my colleagues' tolerance for pseudo-complexity and embellishment of this sort was not high. I wanted to define "administration by objectives" in terms that would convey the essence

of the concept without jargon or intimidating terminology. Moreover, I was convinced that--as is often the case with other so-called "new ideas"--MBO is simply a more refined and systematic means of organizing and achieving some of the things we had been doing already. So, together with a colleague on our Administrative Council, I wrote a short definition of MBO and described those elements which we were already using, such as annual reports, annual lists of objectives, etc., and those modifications and changes which we would need to make to implement a true system of MBO.

In its simplest terms "administration by objectives" is nothing more than a process by which institutional goals and objectives and those of each administrator are made explicit and agreed upon, the detailed steps and the resources needed to implement these objectives are identified, and the progress towards their implementation is monitored.

As in any reasonably well-run institution, we were already employing many of the techniques and procedures of MBO, only not by that name. We prepared annual reports that summarized our achievements and accomplishments during the year and outlined our plans and ambitions for the year ahead. The president reviewed the report of each member of the Administrative Council with its author, and together they discussed his or her recommendations or objectives. Furthermore, the president has prepared an annual report for each of the past ten years, which he has delivered to the board of trustees, the faculty, and in printed form to the general public. These reports, emphasizing university-wide accomplishments and objectives, have been based on the reports of the senior administrators and have incorporated

their achievements and many of their recommendations.

Only a few changes were needed to turn these procedures into a system of management or administration by objectives. First, we needed to refine our ability to write objectives. That is, we needed to distinguish between objectives which could be accomplished within the coming year and those that were in the nature of long-run recommendations and goals. We needed to achieve greater specificity in our objectives and to indicate the criteria by which progress towards them could be measured so that we and others could know whether we were achieving them or making headway in the right direction. We needed to delineate the milestones by which our progress could be monitored or, to phrase it in a slightly different way, to spell out the sequence of steps and procedures we would need to follow in order to implement our objectives and attain our goals. We needed to assign specific target dates to each of these milestones and, where appropriate, identify the additional resources (in dollars, space, time, and personnel) needed to attain a milestone or objective. We needed to distinguish between types of objectives: those that were simply continuing to do more of what we had already been doing, and those that were involved in solving a new problem, learning a new competency, or undertaking a new endeavor. And we needed to rank our objectives in priority order.

Second, we needed to achieve a greater continuity or level of integration between one year's annual report and the next, that is between the objectives adopted at the beginning of the year and the subsequent year-end review of accomplishments towards those objectives. We needed to make it more

clear to our readers and ourselves how each of our individual objectives related to the overall institutional objectives and to the mission of the university.

Third, we needed to develop and make routine an appropriate structure and sequence of meetings, interactions, and relationships to cement the MBO system and make it work. Supervisors needed to arrange to review potential objectives with those on their staffs who would be responsible for carrying them out, in order to ascertain their feasibility. Those formulating objectives needed to review them with the administrators to whom they reported and come to an agreement regarding them. And we all needed to arrange to review our objectives periodically to ascertain our progress, to reconsider our priorities, to insert new objectives that may have arisen in the interval and delete or reduce in priority those that are no longer as important or are unattainable.

The essence of MBO, and its advantage as an administrative tool, is its explicitness. One is required to determine precisely what one wants to accomplish during the year and how they are going to go about it. One's objectives are delineated and agreed upon in writing with one's supervisor just as one reviews and approves the objectives of those reporting to them. Everyone knows what is expected and against what standard they will be evaluated. The ambiguity associated with personnel review is eliminated.

It is this explicitness, however, that causes trouble in implementing MBO. There's a certain comfort in being vague about some things, in not being pinned down about what you plan to accomplish. As we began to implement MBO, this problem was expressed in various ways. Some were concerned

about setting difficult objectives lest they fail to achieve them. Some with controversial objectives were concerned about writing them down lest by tipping their hand they might give their opposition a better chance to organize. There were also questions about the level of specificity to be used in writing objectives, obtaining the data necessary to monitor achievements, evaluating non-quantifiable objectives, and what to do about objectives that involved changing the attitudes, motivation or performance of others.

Initially these questions were discussed privately between individuals who felt troubled or threatened by the new system. However, we felt they were best discussed by the Administrative Council as a group. They were problems troublesome to many and best solved in a common discussion. Other matters which some wanted to bring to the group we felt were more appropriately resolved between an individual and his supervisor. The setting of specific objectives was such a matter. Although it might be useful for us to have a general idea about one another's objectives and essential to know about and concur with objectives that involved the cooperation or participation of our areas, it would be dysfunctional, we thought, to review all our objectives in detail in an open group.

It was crucial, of course, to involve the president in this process from the beginning. It was clear that without his support MBO would not succeed. Which is to say that he would have to find the process useful and productive. As with any management tool or system, MBO takes time and effort. When people are already working to their capacity in an understaffed

environment, it's hard to know where to find the additional time and whether it's worth the additional energy. While the president supported the concept from the beginning, there was a question in the minds of some as to how seriously he was going to take this new idea, how useful he would find it, to what extent he would support it, how well he would integrate it into the on-going administrative apparatus and procedures, and to what level in the institution he would encourage its implementation. These questions were answered and concerns about the president's support were removed when he reported having gone to the chairman of the board to discuss a personnel matter and being told that such matters were handled by the chairman in his company by the MBO system. Had the president heard of it? was he using it at the university? would he like to have some books about it? and so on. It turned out to be important that the implementation of MBO was something we already had underway.

We are still in the process of implementing MBO: preparing forms to facilitate the writing of objectives, establishing dates for the setting and subsequent review of objectives, and learning how to establish measurable objectives of appropriate difficulty. Not all questions have yet been resolved. Not all have mastered the terminology or have embraced the concept with equal success. Nonetheless, we have begun to see benefits in terms of helping us attain new levels of achievement, in terms of facilitating communication about our endeavors with one another, and in terms of providing greater administrative structure and control for the university. We all have a somewhat better idea where we're going, how it relates to the main thrust of the institution, and on what basis and by what criteria we will be evaluated. As

a next step in implementing MBO we have scheduled and are now planning a two-day workshop-retreat of our Administrative Council to review and evaluate our MBO process, to improve our ability to use it successfully, and to determine what additional procedures might be adopted to make MBO an even more useful administrative tool on our campus. MBO is not a panacea. It does not substitute for good judgment, adequate resources, and a willingness to work openly and cooperatively with one's colleagues. Moreover, some will find it more useful or acceptable than others. Nonetheless, it is an administrative technique we have found worth exploring.

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